

MINUTES
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
BOARD OF DIRECTORS
WORKSHOP MEETING

DATE: March 16, 2004

PLACE: 550 Olive Street, Santa Barbara, CA 93101

MEMBERS PRESENT: Chair John Britton, Directors Brian Fahnestock, Lee Moldaver, Olivia Rodriguez and Interim General Manager Sherrie Fisher

OTHERS PRESENT: Browning Allen and Dan Secord (City of Santa Barbara), Jerry Estrada, Lynnette Coverly, David Damiano, Gary Johns, and Barbra Nelson (MTD).

1. **Call to Order**
Chair John Britton called the meeting to order at 8:35 a.m.
2. **Roll Call of the Board of Directors**
Chair Britton noted that all Board members were present except Director David Davis.
3. **Report Regarding Posting of Agenda**
Board Clerk Barbra Nelson reported that the agenda for this meeting was posted at the MTD administrative headquarters and on the MTD Website last week and mailed to media of general circulation.
4. **Approval of Prior Minutes**
Director Lee Moldaver moved to waive the reading of, and approve the minutes of March 2, 2004. Director Olivia Rodriguez seconded the motion, which passed unanimously.
5. **Cash Report**
Director Fahnestock asked about the higher than normal legal expense and asked that an annual report be done on legal expenditures. Controller Jerry Estrada said he would prepare a report for the Board. General Manager Sherrie Fisher noted that part of the unusual expenditure could be attributed to paying for the retiring General Manager's attorney fees. Director John Britton asked about the storage rental expense. Ms. Fisher answered that MTD was moving out of that storage facility. Director Moldaver moved to accept the cash reports for February 10th through February 23rd, 2004 and February 24th through March 8th, 2004. Director Rodriguez seconded the motion, which passed unanimously.
6. **Tribute to Ralph Brannan** (Chair Britton moved this to later time on the agenda to accommodate Mr. Brannan.)
Retiring Manager of Maintenance Ralph Brannan, with wife Pamela present, was honored with a Congressional Certificate from Lois Capps' office, a Certificate of Appreciation from the Board of Directors, an engraved glass plaque, and an engraved gold pocket watch for his 13 years of service with the District.
7. **Public Comment**
There was no public comment.
8. **Resolution 04-1 to Authorize the General Manager to Reject Claims Against the District**
Director Moldaver moved to authorize the General Manager to reject any and all claims and approve claims up to \$5,000. The motion was seconded by Director Rodriguez and passed with a roll call vote of 4 ayes with one Director absent.
9. **Rejection of Claims**
The General Manager noted that this item could be skipped since the previous item was passed authorizing the General Manager to reject claims.

10. Budget Revision

Director Fahnestock reported that the Finance Committee had reviewed this item and recommended it be approved, although it would reduce the reserves. Mr. Fahnestock noted that because of the legal opinion that MTD could not incur indebtedness without going to voters, there is a need to purchase rather than lease this software that is integral to sound management practices. After some discussion, Director Moldaver moved to approve the budget revision and purchase the software. Director Rodriguez seconded the motion, which passed unanimously.

11. Deferred Compensation Plan 457 (b)

Ms. Fisher reminded the Board that a 457 (b) plan previously provided for the General Manager, has the retired General Manager as a trustee. Ms. Fisher also noted that though this plan is not currently a benefit for the Interim General Manager, either the trustee should be changed or a decision made to cancel the plan. Director Moldaver moved to both cancel the plan and to change the trustee to General Manager Sherrie Fisher and Controller Jerry Estrada so that they may process said cancellation. Director Rodriguez seconded the motion, which passed with a roll call vote of 4 ayes with one absent.

12. Advertising Rate Adjustments

The General Manager explained that the Marketing Department's rate change proposal would make advertising rates more equitable. Marketing Manager Lynnette Coverly added that it also provides an opportunity to book national advertisers on the new 40-foot vehicles because of standard sizing. Director Moldaver thanked the Marketing Manager for her report on industry standards and asked if there was a survey of our current advertisers to see if they would agree to the increases. The Marketing Manager stated that, in speaking with a few advertisers, the general consensus was that we had "the best deal in town," and at the last rate increase in 2001, there was a only a slight decrease in bookings. Director Rodriguez asked if there was percentage discounts for non-profits. Ms. Coverly stated that there wasn't a discount percent, but this rate change would make it possible for non-profits and all to have a less expensive opportunity on the queen space advertising on 30-foot buses. Director Moldaver moved to accept the rate changes. Director Rodriguez seconded the motion, which passed unanimously. Ms. Coverly stated that the changes would become effective January 2005.

13. Liability Insurance Renewal

Ms. Fisher reported that on April 1, 2004, MTD would renew liability insurance and recommended National Interstate, MTD's provider for the past 12 years. Operations Manager Gary Johns mentioned that this does not include property coverage for any vehicles and because the 11, 29-foot Gillig's will be leased, additional coverage to the policy will be needed at that time. After some discussion, Director Moldaver moved to approve the MTD staff recommendation for General Liability, Auto Liability and Claims Service Agreement renewal with National Interstate. Director Fahnestock asked about the reducing the self-insurance rate (SIR) to reduce the costs, since MTD has not come close to reaching the SIR. Director Moldaver said he appreciated the point, but that because the reserves were thin, we should revisit that issue next year when finances may change. Controller Jerry Estrada said he would do an analysis of insurance and financial priorities. Director Rodriguez seconded the motion, which passed unanimously.

14. Recruitment and Potential Salary Range for General Manager; Salary Range and Implementation for Interim General Manager

Chair Britton reported that the committee recommended that the Interim General Manager's salary should be increased to \$112,000, retroactive to November 11, 2003. Director Fahnestock moved to accept that recommendation. Director Moldaver seconded the motion, which passed unanimously. Chair Britton asked the Controller to take care of this adjustment quickly and apologized for the delay. Director Rodriguez asked about the recruitment process. Chair Britton reported that the committee recommended that the salary range of the new General Manager be \$112,000-\$145,000 per year. Director Fahnestock moved to accept that salary range. Director Moldaver seconded the motion, which passed unanimously. Director Fahnestock asked that there be a process and schedule for the recruitment outlined at the next Board meeting. Chair Britton said he would get together early next week with Director Davis to set up the process, timeline, criteria and vision.

15. General Managers Report

Director Britton appreciated the update that the General Manager did for the Board. Director Moldaver agreed, but said that since it was completed over the weekend, not all had received it. The General Manager agreed to continue the summary and include with Board packets.

Ms. Fisher reported the following:

- MTD received an email from the Santa Barbara Historical Society that an antique fare box would be included in their exhibit as part of Santa Barbara History;
- All Junior High Schools and High Schools had been visited through the Parent Associations in an effort to reduce vandalism and misbehavior on buses;
- The Read and Ride Program with the News Press is being discontinued due to a low number of newspapers sold and physical problems with racks and other cooperative solutions are under discussion.

Then the General Manager opened to questions. Director Fahnestock asked about the “101 In Motion” meetings. Ms. Fisher reported that she and Manager of Planning Steve Maas had attended them. The General Manager noted that others attending were mostly people from other agencies and, in general, the comments were positive regarding alternative transportation. Director Moldaver reported that he had attended one on Thursday and it was similar. He also noted that CalTrans was not able to deliver on plans from 1997 that were fully funded locally. Upon request of the Board and at the suggestion of Dr. Dan Secord, Browning Allen of the Santa Barbara City (City) Planning Department added that City staff have a monthly meeting with CalTrans and anticipate some movement on projects, going out to bid at the end of 2007 for Milpas and Hot Springs changes. Director Fahnestock agreed with the General Managers recommendation to not bid on the Clean Air Express from SBCAG while concentrating on our own service and extensions of service. Director Fahnestock appreciated that MTD was reviewing the 3-bicycle rack for buses. Director Fahnestock appreciated the update on not moving the Transit Center to the rail station but suggested that MTD might consider doing both a downtown transit center and something at the rail station to promote intra modal transportation.

16. Other Business and Committee Reports

Director Moldaver reported on three visits with North County officials on the Santa Ynez Valley service and that all were open, warm and pleasant.

Chair Britton reported that the Finance Committee had met to review several issues discussed today. Director Fahnestock reported that the Finance Committee appointed General Manager Sherrie Fisher, Controller Jerry Estrada and Operations Manager Gary Johns as the team to negotiate the upcoming Union agreement. Director Fahnestock also recommended an idea of Mr. Estrada’s to establish a financial advisory committee. The Controller said there was a successful model in Santa Clara for a short term to find ways to generate additional revenue. Director Moldaver asked that there be a written proposal for the next agenda.

Director Moldaver asked for a report from the Calle Real *ad hoc* Committee. Director Rodriguez reported that the Committee had met with a Consultant Frank Thompson who had taken the discussions to a much higher level and the Committee wanted to explore all the details to make sure it was done right.

17. Adjournment

Director Rodriguez moved to adjourn. Director Moldaver seconded the motion, which passed unanimously. The meeting was adjourned at 10:00 a.m.